

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Third Party Communication: None
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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:FIP:BRANCH 5
PRES-141565-08

Date:
November 7, 2008

Dear :

This letter is in response to the application and the accompanying documents (the "Application") of (the "Applicant") submitted on its behalf by its authorized representative for the allocation of the \$ national limitation of authority (the "QFCB National Limitation") to issue qualified forestry conservation bonds (the "QFCBs"). Proceeds of the QFCBs are to be used to acquire approximately acres of forest and forest land in the (as described in the Application, the "QFCB Land") for qualified forestry conservation purposes pursuant to § 54B of the Internal Revenue Code (the "Code") and Notice 2008-70, 2008-36 I.R.B. 575 (September 8, 2008).

Based upon our review of the Application and the certifications received pursuant to § 6(3)(f) of Notice 2008-70 from the United States Forest Service (the "USFS"), the Internal Revenue Service (the "IRS") has determined that the Applicant is a qualified issuer under § 54(f) and that the purpose for which the Applicant requests an allocation of the QFCB National Limitation is a qualified forestry conservation purpose under § 54B(e)(1), (3), and (4). Therefore, subject to §§ 54A and 54B of the Code, Notice 2008-70, and this letter, we allocate \$ of the QFCB National Limitation to the Applicant to be used for a qualified forestry conservation purpose.

The Application contains an election pursuant to § 54B(h)(1)(B) by the Applicant to treat 50 percent of the QFCB allocation as payment of tax and requests a refund of such deemed payment in lieu of issuing QFCBs. We approve the requested refund; thus, the Applicant may not issue any QFCBs pursuant to the allocation described above. For purposes of §§ 54A and 54B, and Notice 2008-70, the refund of the deemed payment of \$ (the "Refund") to the Applicant must be used exclusively for one or more qualified forestry conservation purposes as required by § 54(h)(3)(A).

The Applicant must comply with §§54A and 54B, and Notice 2008-70, including without limitation, the requirement that the Applicant expend 100 percent of the available project proceeds to acquire the QFCB Land within three years of the receipt of the allocation proceeds and the requirement that no later than six months after the acquisition of the QFCB Lands (subject to extension by the IRS) the Applicant transfer the QFCB Land to the USFS or enter into a contract with the USFS for the transfer of the QFCB Land to the USFS that satisfies § 6(3)(e)(iv) of Notice 2008-70 (the "Executory Agreement").

From the date on which the Applicant receives the project proceeds to the date on which the Applicant expends 100 percent of the such proceeds for the acquisition of the QFCB Land, the Applicant must comply with the security requirements of the last paragraph of § 3 of Notice 2008-70 or as otherwise appropriately required by the IRS.

We will forward the Refund to you pending finalization of applicable security requirements.

In addition, if any of the QFCB Land is scheduled to be transferred to the USFS pursuant to the Executory Agreement more than three years after the execution of the Executory Agreement, the Applicant must comply with the security requirements of § 6(3)(e)(vi) of Notice 2008-70 or as otherwise appropriately required by the IRS.

In accordance with § 54B(h)(3)(A), if the Applicant fails to use any of the available project proceeds, including any proceeds received from investing the allocation proceeds, for a qualified forestry conservation purpose, including any qualified transaction costs, the Applicant must rebate the unused portion of such proceeds to the United States.

This letter is based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

If you have any questions with respect to this letter, please contact
or of the Office of Associate Chief Counsel Financial
Institutions and Products on (not a toll-free call).

Sincerely,

Stephen Larson
Associate Chief Counsel
(Financial Institutions & Products)

cc: